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SUBJECT: Turkish Officials Comment on WTO Agriculture
Issues

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1. (SBU) SUMMARY. DESPITE THE APPARENT FAILURE TO REACH AGREEMENT IN CANCUN, TURKISH OFFICIALS CONSIDER THE CONTINUATION OF WTO AGRICULTURE NEGOTIATIONS ESSENTIAL TO THE HEALTH OF THE INTERNATIONAL ECONOMY. TURKISH OFFICIALS WHO PARTICIPATED IN THE CANCUN MEETINGS COMMENTED THAT THE UNITED STATES SHOWED LITTLE FLEXIBILITY IN ITS NEGOTIATING POSITION ON AGRICULTURE DURING THE MEETINGS WHILE THE EUROPEAN UNION SEEMED MUCH MORE WILLING TO DISCUSS CONCERNS AND COMPROMISE WITH DEVELOPING COUNTRIES. END SUMMARY.

2. (SBU) AGCOUNSLOR MET SEPARATELY WITH TWO TURKISH OFFICIALS, HASAN HUSEYIN COSKUN, UNDER SECRETARY OF AGRICULTURE AND AYLIN BEBEKOGLU, CHIEF OF SECTION IN THE GENERAL DIRECTORATE OF AGREEMENTS AT THE UNDERSECRETARIAT OF FOREIGN TRADE. BOTH OFFICIALS ATTENDED THE WTO MEETINGS IN CANCUN AND PARTICIPATED SPECIFICALLY IN THE AGRICULTURE DISCUSSIONS.

MINAG SUPPORTIVE BUT NO SUGGESTIONS

3. (SBU) U/S COSKUN SUPPORTED THE CONTINUATION OF AGRICULTURAL NEGOTIATIONS IN THE WTO. HE NOTED THAT THE NEGOTIATIONS WERE ESSENTIAL TO WORLD TRADE. AT THE SAME TIME, HOWEVER, HE WAS UNABLE TO SUGGEST ANY STEPS THAT MIGHT MOVE NEGOTIATIONS ALONG. INSTEAD, HE SUGGESTED THAT THE UNITED STATES AND OTHER DEVELOPED COUNTRIES NEED TO DEVELOP NEW PROPOSALS TO BRING COUNTRIES BACK TO THE NEGOTIATING TABLE. COMMENT. IN GENERAL, THE TURKISH AGRICULTURE OFFICIALS ARE NON-COMMITTAL ON TRADE NEGOTIATIONS. IN THE PAST, MINAG OFFICIALS HAVE STATED THEIR SUPPORT FOR TRADE LIBERALIZATION, WHILE CONTINUE TO PURSUE A POLICY OF SELF-SUFFICIENCY AND MARKET PROTECTION. TURKISH AGRICULTURE OFFICIALS HAVE OFTEN STATED THAT HIGH TARIFFS ARE NECESSARY TO PROTECT TURKISH AGRICULTURE AGAINST THE HIGH DOMESTIC SUPPORT PROGRAMS IN EUROPE AND THE UNITED STATES.

U.S.-EU BUSINESS AS USUAL?

4. (SBU) In contrast to the Ministry of Agriculture, Ms. Bebekoglu from the Undersecretariat for Foreign Trade was much more forthcoming in her comments on the Cancun meetings. Ms. Bebekoglu was surprised at the text of the proposal submitted by the United States. She remarked that the agreement between the United and the EU on domestic support reached prior to the meetings left out too many important details particularly with regard to the products covered. Moreover, she offered that many developing countries felt that the United States and European Union were trying to broker a deal without including other countries, most importantly, developing countries in the negotiations. According to Ms. Bebekoglu, developing countries opposed the text reasoning that once the United States and EU reached agreement to resolve their differences, there would be little room in the negotiations for smaller countries. It was also the Turkish impression that most countries at the end of the meetings were very

close to reaching an agreement and this concerned Turkey's representatives because they did not like the text.

U.S. Position - Too Inflexible

15. (SBU) Turkey considers itself a part of two worlds. On the one hand, it believes that the possibility of EU membership should guide its policies including adopting EU regulations. At the same time, Turkish officials believe their country has much in common with the Group of 21. Although it did not join the Group of 21, Ms. Bebekoglu commented that Turkey has very similar interests in trade as India, which did join the Group of 21. Most of the criticism for the difficulties during the negotiations was directed at the United States. According to Ms. Bebekoglu the United States is demanding too much on market access from other countries while it is unwilling to provide sufficient decreases in the U.S. domestic support programs. In her opinion, either the United States needs to give greater reductions in the domestic support programs and export subsidies or it must ask less of developing countries in the area of market access.

EU Wins the Perception Battle

16. (SBU) PERHAPS THE MOST TELLING COMMENT BY TURKISH OFFICIALS WAS THE TURKISH PERCEPTION THAT THE UNITED STATES DISPLAYED VERY LITTLE FLEXIBILITY DURING THE NEGOTIATIONS. ACCORDING TO TURKISH OFFICIALS, THE EU DELEGATION SEEMED MUCH MORE WILLING THAN THE UNITED STATES TO NEGOTIATE AND COMPROMISE WITH DEVELOPING COUNTRIES. THIS PERCEPTION MOST LIKELY CONTRIBUTED TO THE IMPASSE IN CUNCUN.

Multilateral Vs Bilateral Agreements

17. (SBU) In general, Turkish officials believe that it is extremely important to find a way to encourage agriculture negotiations. Turkey firmly supports a multilateral approach to international negotiations. Both officials commented that any trend in pursuing bilateral agreements will do more harm to the multilateral trade system. Interestingly, the Turkish representatives characterized the outcome of Cancun as a "success" for the Group of 21 and that the failure to reach an agreement would allow a better review of the text and input from other countries.

Comment: Next Steps

18. (SBU) Agriculture is one of the more sensitive areas for Turkey and Turkish officials. With such a large portion of the population (25 - 30 percent) involved in some aspect of agriculture and 40 percent of the population living in rural areas, Turkish officials are reluctant to agree to any changes that might increase competition for this sector. World Bank officials have commented on the progress Turkey has made over the past few years reducing domestic support programs. As a result, Turkish officials are much more hesitant to relent on demands for greater market access without any clear benefits to its own agriculture sector. More troubling perhaps, is the perception of U.S. inflexibility compared with the European Union. EU-Turkish agriculture trade relations have been less than cordial despite the existence of a customs union and the possibility of EU membership in the distant future. As a result, the United States may have an uphill battle in convincing countries like Turkey that the U.S. position is indeed in their interest.

Deutsch